

Exemptions

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Most taxpayers are allowed to take a personal exemption for themselves (up to \$3,300 in 2006) and their spouses, which is subtracted from their income before their tax is computed. Taxpayers are also allowed to take an exemption for each of their dependents.

If you can be claimed on another taxpayer's tax return as a dependent, then you are not allowed to take an exemption for yourself. This is true even if the other taxpayer does not claim your exemption on their return.

For purposes of claiming an exemption a person is considered your dependent if they are your "qualifying child" or "qualifying relative". In general, this means the person:

- Is related to you,
- Lived with you for more than half of the year,
- Did not provide more than half of his or her own support for the year, and
- Does not have \$3,300 or more of gross (total) income and
- Is not a dependent of another taxpayer

There are many exceptions, specific definitions for words I used above, and other rules for the guidelines I have stated here; therefore it is best to either consult with your tax professional or read [IRS Publication 501](#) before determining how many exemptions you are allowed to claim.

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